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November 30, 2016

**Via ECF**

Honorable James L. Garrity, Jr.  
United States Bankruptcy Court  
One Bowling Green  
New York, NY 10004-1408

Re: *In re: Level 8 Apparel LLC, Debtor*  
Case No. 16-13164 (JLG)

Dear Judge Garrity:

We represent Level 8 Apparel LLC, the referenced Debtor. In furtherance of the emergency hearing on the Debtor's motion for authorization to use cash collateral ("Motion") before Your Honor held on November 28, 2016, we are submitting herewith a proposed form of order and budget ("Budget") that has been approved by the Debtor's two secured creditors, Capstone Capital Group LLC and the Internal Revenue Service.

Please note that the Budget has been revised from the budget that was submitted along with the Motion to remove payment of any pre-petition expenses. Whereas the budget submitted in connection with the Motion sought authority to pay a total of \$278,520 for the periods November and December, the revised Budget seeks authority to pay \$274,699. My client has confirmed to me that other than the pre-petition payments that the Court approved on the record, to wit, priority wage and tax claims, none of the other budgeted items for November represent pre-petition expenses.

In addition, during the hearing the Debtor and the IRS reached an agreement for the payment of an adequate protection payment for November 2016 in the amount of \$3,717, not initially budgeted for, to be amortized in three monthly payments of \$1,239 beginning

Honorable James L. Garrity, Jr.  
November 30, 2016  
Page 2

in January, 2017. Accordingly, the Budget provides for a January and February 2017 adequate protection payment to the IRS of \$8,673 instead of the regular amount of \$7,434.

Respectfully yours,

/s/ Steven A. Soulios

cc: AUSA Lawrence Fogelman, Esq. (via email)  
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Greg Zipes, Esq. (via email)  
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